

**HB 1742** - S COMM AMD

By Committee on Financial Institutions, Housing & Consumer  
Protection

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 84.14.010 and 2002 c 146 s 1 are each amended to read  
4 as follows:

5 Unless the context clearly requires otherwise, the definitions in  
6 this section apply throughout this chapter.

7 (1) "City" means (~~either (a) a~~) any city or town (~~(with a~~  
8 ~~population of at least thirty thousand or (b) the largest city or town,~~  
9 ~~if there is no city or town with a population of at least thirty~~  
10 ~~thousand,~~) located in a county planning under the growth management  
11 act.

12 (2) "Governing authority" means the local legislative authority of  
13 a city having jurisdiction over the property for which an exemption may  
14 be applied for under this chapter.

15 (3) "Growth management act" means chapter 36.70A RCW.

16 (4) "Multiple-unit housing" means a building having four or more  
17 dwelling units not designed or used as transient accommodations and not  
18 including hotels and motels. Multifamily units may result from new  
19 construction or rehabilitated or conversion of vacant, underutilized,  
20 or substandard buildings to multifamily housing.

21 (5) "Owner" means the property owner of record.

22 (6) "Permanent residential occupancy" means multiunit housing that  
23 provides either rental or owner occupancy on a nontransient basis.  
24 This includes owner-occupied or rental accommodation that is leased for  
25 a period of at least one month. This excludes hotels and motels that  
26 predominately offer rental accommodation on a daily or weekly basis.

27 (7) "Rehabilitation improvements" means modifications to existing  
28 structures, that are vacant for twelve months or longer, that are made  
29 to achieve a condition of substantial compliance with existing building

1 codes or modification to existing occupied structures which increase  
2 the number of multifamily housing units.

3 (8) "Residential targeted area" means an area within an urban  
4 center that has been designated by the governing authority as a  
5 residential targeted area in accordance with this chapter.

6 (9) "Substantial compliance" means compliance with local building  
7 or housing code requirements that are typically required for  
8 rehabilitation as opposed to new construction.

9 (10) "Urban center" means a compact identifiable district where  
10 urban residents may obtain a variety of products and services. An  
11 urban center must contain:

12 (a) Several existing or previous, or both, business establishments  
13 that may include but are not limited to shops, offices, banks,  
14 restaurants, governmental agencies;

15 (b) Adequate public facilities including streets, sidewalks,  
16 lighting, transit, domestic water, and sanitary sewer systems; and

17 (c) A mixture of uses and activities that may include housing,  
18 recreation, and cultural activities in association with either  
19 commercial or office, or both, use.

20 **Sec. 2.** RCW 84.14.020 and 2002 c 146 s 2 are each amended to read  
21 as follows:

22 (1) The value of new housing construction, conversion, and  
23 rehabilitation improvements qualifying under this chapter is exempt  
24 from ad valorem property taxation, for ten successive years beginning  
25 January 1 of the year immediately following the calendar year of  
26 issuance of the certificate of tax exemption eligibility. However, the  
27 exemption does not include the value of land or nonhousing-related  
28 improvements not qualifying under this chapter. When a local  
29 government adopts guidelines pursuant to RCW 84.14.030(2) (~~and the~~  
30 ~~qualifying dwelling units are each on separate parcels for the purpose~~  
31 ~~of property taxation)), the exemption may, at the local government's  
32 discretion, be limited to those dwelling units that meet the local  
33 guidelines.~~

34 (2) In the case of rehabilitation of existing buildings, the  
35 exemption does not include the value of improvements constructed prior  
36 to the submission of the application required under this chapter. The

1 incentive provided by this chapter is in addition to any other  
2 incentives, tax credits, grants, or other incentives provided by law.

3 (3) This chapter does not apply to increases in assessed valuation  
4 made by the assessor on nonqualifying portions of building and value of  
5 land nor to increases made by lawful order of a county board of  
6 equalization, the department of revenue, or a county, to a class of  
7 property throughout the county or specific area of the county to  
8 achieve the uniformity of assessment or appraisal required by law.

9 (4) At the conclusion of the ten-year exemption period, the new or  
10 rehabilitated housing cost shall be considered as new construction for  
11 the purposes of chapter 84.55 RCW."

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12 On page 1, line 2 of the title, after "centers;" strike the  
13 remainder of the title and insert "and amending RCW 84.14.010 and  
14 84.14.020."

EFFECT: (1) Removes city and town population requirements thereby  
expanding the number of cities and towns in which the property tax  
exemption may be taken.

(2) Clarifies that the property tax exemption is also available for  
rental units, not just owner-occupied units of housing.

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